

BOARD OF ADMINISTRATION BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING MINUTES

February 18, 2009

A meeting of the Benefits and Program Administration Committee (BPAC) was held on Wednesday, February 18, 2009 in the Lincoln Plaza North Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:30 a.m. and the roll was called. The following members were present:

Kurato Shimada, Chair
Rob Feckner, Vice Chair
Terrence McGuire for John Chiang
George Diehr
Greg Beatty for David Gilb
Henry Jones
Priya Mathur
Lou Moret
Tony Oliveira

Other Board Members present:

Grant Boyken for Bill Lockyer

AGENDA ITEM 3 – STATE LEGISLATIVE PROPOSAL: INACTIVE MEMBER DISTRIBUTION

Danny Brown, Acting Chief, Office of Governmental Affairs, presented the State Legislative Proposal: Inactive Member Distribution as an action item. Mr. Brown requested the sponsoring of legislation that would give staff the necessary authority to refund accumulated contributions to inactive members in order to protect them from potential federal tax penalties.

On **MOTION** by Mr. Jones, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board approve, to sponsor legislation to specifically authorize the refunding of accumulated contributions to members when they reach 70 years of age.

AGENDA ITEM 4 – FEDERAL LEGISLATIVE REPRESENTATIVE REQUEST FOR PROPOSAL (RFP 2008-4809) – SELECTION OF FINALISTS

Mr. Brown presented the Federal Legislative Representative Request for Proposal (RFP 2008-4809) – Selection of Finalists as an action item. Mr. Brown gave details regarding scoring of the four proposals received in October. Three of the proposers were considered finalists and are eligible to be interviewed.

On **MOTION** by Mr. Feckner, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board approve, the number of highest-scoring proposers to be considered finalists and all three finalists be interviewed.

AGENDA ITEM 5 – 2009 MEMBER-AT-LARGE BOARD ELECTION – NOTICE OF ELECTION AND SCHEDULE OF EVENTS

Kim Malm, Chief, Operations Support Services Division, presented the 2009 Member -At-Large Board Election – Notice of Election and Schedule of Events as an action item. The current term of two seats held by Mr. Shimada and Mr. Valdes will expire January 15, 2010. Mr. Valdes has chosen not to run at this time and Mr. Shimada has elected to run for reelection. Ms. Malm provided details on the election process.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Moret and **CARRIED**, the Committee recommended the Board approve, the Notice of Election and Schedule of Events for the 2009 Member-At-Large Board Election.

AGENDA ITEM 6 – PROCEDURES FOR BOARD'S AWARD OF CALPERS CONTRACTS

Ms. Malm presented proposed changes to the Procedures for Board's Award of CalPERS Contracts as an action item. Staff recommends the Board modify the existing scoring policy to utilize a "trimmed average" scoring methodology for Board interviews.

On **MOTION** by Mr. Feckner, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board approve, modifications to existing scoring policy as proposed.

AGENDA ITEM 7 – 2008 COST OF LIVING REPORT

Ron Seeling, Chief Actuary, presented the 2008 Cost-Of-Living Report as an action item.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Jones and **CARRIED**, the Committee recommended the Board approve, the 2008 Cost-Of-Living Report with instructions to file the Report with the Governor and the Legislature.

AGENDA ITEM 8 – CALPERS' APPOINTEE TO THE CALIFORNIA ACTUARIAL ADVISORY PANEL

Mr. Seeling presented the CalPERS Appointee to the California Actuarial Advisory Panel as an action item. Staff recommends Mr. Seeling be appointed as representative.

On **MOTION** by Dr. Diehr, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board appoint Ron Seeling, Chief Actuary, as the CalPERS representative to the California Actuarial Advisory Panel.

AGENDA ITEM 9 - EFI'S FINAL ACTUARIAL AUDIT REPORT

Mr. Seeling presented EFI's Final Actuarial Audit Report on the Parallel Valuation and Certification of the Audits in completion of the Task 7a of Contract 2003-3236 as an action item.

On **MOTION** by Dr. Diehr, **SECONDED** by Ms. Mathur and **CARRIED**, the Committee recommended the Board approve, acceptance of EFI's Final Actuarial Report.

AGENDA ITEM 10 - OVERVIEW OF THE 1959 SURVIVOR BENEFIT PROGRAM

Mr. Seeling presented an Overview of the 1959 Survivor Benefit Program as an information item. The committee directed staff to seek long term legislative solutions to the over funding of the lower level benefits under this program.

AGENDA ITEM 11 – MEMBER BRANCH PERFORMANCE MEASURES

Donna Lum, Assistant Executive Officer, Member and Benefit Services Branch, introduced the FY 2008-2009 2nd Quarter Member Branch Performance Measures as an information item. Ron Kraft, Chief, Customer Service and Education Division, Debra Gibson, Assistant Chief, Member Services Division and Mary Lynn Fisher, Chief, Benefit Services Division, provided detailed results in their respective areas.

AGENDA ITEM 12 – EMPLOYER CUSTOMER INQUIRY PERFORMANCE MEASURES

Lori McGartland, Chief, Employer Services Division, presented the FY 2008-2009 2nd Quarter Employer Customer Inquiry Dashboards and Summary Report as an information item.

AGENDA ITEM 13 – CHIEF ACTUARY REPORT

Mr. Seeling discussed actuarial concerns in regards to the impact of furloughs on employer/employee contributions and benefits. At the direction of the chair an agenda item will be added to the March agenda to provide an update on the impact of the furlough to employer/employee contributions and benefits.

AGENDA ITEM 14 - ASSISTANT EXECUTIVE OFFICER REPORT

Mrs. Lum introduced Marilyn Clark, Public Affairs Office. Ms. Clark presented the my|CalPERS Usage Report period ending December 31, 2008. There were no additional items to report.

AGENDA ITEM 15 – DRAFT AGENDA FOR MARCH 17, 2009 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING

The following addition will be added to the March 17, 2009 Agenda:

 Update on the Furlough Impact on Employer / Employee Contributions and Benefits

AGENDA ITEM 16 – PUBLIC COMMENT

No public comment.

The next meeting of the Benefits and Program Administration Committee is scheduled for March 17, 2009, in Sacramento, California.

DATE:	
	ANNE STAUSBOLL
	Chief Executive Officer